

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH SHELBY WATER COMPANY)	CASE NO. 91-471

O R D E R

On December 31, 1991, North Shelby Water Company ("North Shelby") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Shelby purchases water from the Louisville Water Company ("Louisville"), Shelbyville Water and Sewer ("Shelbyville"), and the Frankfort Electric and Water Plant Board ("Frankfort").

2. Effective January 1, 1992, Louisville increased its rate for water sold to North Shelby from \$1.06 per 1,000 gallons to \$1.10 per 1,000 gallons, and increased its \$57.22 monthly service charge to \$58.98. There was no increase to the elevated service area surcharge of \$.19 per 1,000 gallons. There has been no change in the rates charged by Shelbyville and Frankfort. Based on 5,000 gallons average monthly usage, the average monthly bill

for a North Shelby customer will increase from \$20.90 to \$20.95, which is an increase of .24 percent.

3. North Shelby proposes to increase the rates to its customers effective January 15, 1992.

4. During the 12 months ending November 30, 1991, North Shelby purchased a total of 314,276,030 gallons of water, 116,990,000 gallons of which were purchased from Frankfort, 66,587,000 gallons of which were purchased from Louisville, and 130,699,030 gallons of which were purchased from Shelbyville.

5. North Shelby sold 244,336,919 gallons of water during the same 12-month period.

6. Due to the use of an incorrect rate base, North Shelby's purchased water adjustment factor is incorrect. The increase in the cost of purchased water is \$2,685, resulting in a purchased water adjustment of 1 cent per 1,000 gallons as shown in Appendix B.

7. The purchased water adjustment of 1 cent per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by North Shelby are denied.

2. The purchased water adjustment of 1 cent per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after January 15, 1992.

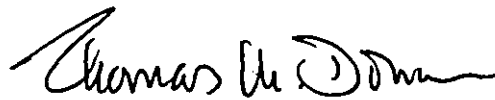
3. Within 30 days of the date of this Order, North Shelby shall file its revised tariff sheet setting out the rates approved herein.

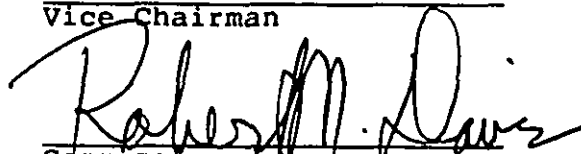
4. Within 20 days of the date of this Order, North Shelby shall file verification that notice has been given to its customers.

Done at Frankfort, Kentucky, this 15th day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-471 DATED 1/15/92

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gallonge Blocks

Monthly Rates

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$9.58 Minimum Bill
Next 3,000 gallons	3.79 per 1,000 gallons
Next 5,000 gallons	2.79 per 1,000 gallons
Next 40,000 gallons	2.29 per 1,000 gallons
Over 50,000 gallons	1.79 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$20.95 Minimum Bill
Next 5,000 gallons	3.79 per 1,000 gallons
Next 40,000 gallons	2.29 per 1,000 gallons
Over 50,000 gallons	1.79 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$34.90 Minimum Bill
Next 40,000 gallons	2.29 per 1,000 gallons
Over 50,000 gallons	1.79 per 1,000 gallons

2 Inch Meter

First 15,000 gallons	\$46.35 Minimum Bill
Next 35,000 gallons	2.29 per 1,000 gallons
Over 50,000 gallons	1.79 per 1,000 gallons

3 Inch Meter

First 35,000 gallons	\$92.15 Minimum Bill
Next 15,000 gallons	2.29 per 1,000 gallons
Over 50,000 gallons	1.79 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-471 DATED 1/15/92

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	Frankfort Plan Board	116,990,000	gallons
	Louisville Water Company	66,587,000	gallons
	Shelbyville Water & Sewer	130,699,030	gallons
	Total	<u>314,276,030</u>	gallons

Water Sold: 244,336,919 gallons

Cost at Changed Rate:

66,587.0 m. gallons	x \$1.29	=	\$85,897.23
\$58.98 x 12		=	<u>707.76</u>
			\$86,604.99

Less

Cost at Base Rate:

66,587.0 m. gallons	x \$1.25	=	\$83,233.75
\$57.22 x 12		=	<u>686.64</u>
			\$83,920.39

Increase in Purchased Costs: \$ 2,684.60
\$2,684.60 ÷ 244,336.919 m. gallons = \$.0110/1,000 gallons or
\$.01/1,000 gallons